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To the California Air Resources Board:

As owners of a 75-year-old trucking company in Fresno, CA, with 20 trucks, we would like to comment on the proposed Amendments to the Truck and Bus Rule. Since passage of the Truck & Bus rule in 2008, we have been replacing our fleet. It has NOT been easy and our debt service has been greatly impacted. Our greatest concern is 1) the Loan Denial Extension and 2) the Additional Time for Small Fleets Extension proposed for small carriers (1 to 3 trucks). The impact of these two Amendments is as follows:

1. Cumulatively, these small carriers, who work predominantly through Brokers, form a LARGE POOL of trucks. Because small carriers have lower costs, this LARGE POOL of small carriers exert a tremendous downward pressure on freight rates. Brokers have become our greatest competitors.

So as larger fleets replace trucks, we are finding it extremely difficult to re-coup our added costs through rate increases. We have just been told by another of our customers, that they do not foresee any rate increases to their 3-year old rates because they have small carriers and/or brokers who will work for 3-year old rates. Passage of the small carrier extensions will prolong this unlevel playing field, which is putting our company, and many like ours, at an extreme financial disadvantage. And we contend that it is no harder for small carriers to replace equipment than it has been for us.

2. Related to the truck replacement cost issue is the driver shortage, which our industry is facing. As business increases, how do we encourage individuals to become truck drivers if we cannot offer wages that will entice them to our industry? And how do we offer better wages if freight rates set by Brokers with low-cost small carriers remain low?

3. In addition, you may have been told that these small carriers didn't know about the Truck & Bus Rule and therefore, need more time. There is no way that ANY trucker, no matter what size, did not know about the Truck and Bus Rule. Any trucker who refueled his truck, stopped at a rest stop, spoke to another trucker, picked up a trucking magazine or had a CB radio has known about the Rule. These small carriers have been ignoring the rule. They have been counting on CARB to grant extensions or forgive them from the Rule altogether. With the passage of these two Amendments, you are allowing them to skirt the regulations for a few MORE years to the detriment of the rest of the industry.

4. Even if enforcement of the Truck and Bus Rule is not perfect, the risk of being in violation will put pressure on the small carriers to replace their vehicles sooner--not later.

5. Lastly, if particulate matter and NOX have been causing premature deaths due to asthma, why would CARB now limit the prevention of premature deaths by passing these extensions? Are children suffering with asthma not affected by pollution from small carriers? Where is the concern that CARB had back in 2008 for this health issue?

Jim Ganduglia
Partner

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